

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7080

BILL NUMBER: HB 1313

NOTE PREPARED: Jan 4, 2006

BILL AMENDED:

SUBJECT: 1977 Retirement Fund Benefit Enhancement.

FIRST AUTHOR: Rep. Tyler

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: For a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) who retires after June 30, 2006, the bill increases from 1% to 1.25% the amount by which the retirement benefit increases for each 6 months of active service greater than 20 years and less than 32 years. The bill also increases from 6% to 8.3% the percentage of the salary of a first class patrolman or firefighter contributed by or on behalf of a 1977 Fund member or converted member to pay for the benefit increase.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The increase in the proposed contribution rate will cover the cost of the higher benefit, based on an actuarial study conducted in October 2004.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Local Agencies Affected: Those municipalities with members in the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF and the 1977 Police Officers' and Firefighters' Pension and Disability Fund, 317-576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.